

BIG 5 HLABISA LOCAL MUNICIPALITY
“The Municipality”



DRAFT
INDIGENT POLICY

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1. DEFINITIONS

For the purpose of this Policy any word or expressions to which a meaning has been assigned in the Act shall bear the same meaning in this Policy and unless the context indicates otherwise

“Account” means any account rendered for municipality services provided;

“Account holder” means any person with whom the Municipality has concluded an agreement for the payment of the consumption of municipal services and he or she is liable thereof;

“Consumption” means the ordinary use of municipal services, refuse removal and electricity services for domestic or household purposes;

“Indigent household” means a low-income household with a monthly income determine by the resolution of the Municipal Council;

“Indigent support” means the assistance given by the Municipal Council to registered indigent households in respect of electricity and rates;

“Municipality” means Big 5 Hlabisa Local Municipality;

“Municipal services” refers to the services provided by the Municipality;

“Owner” the person in whom from time to time is vested the legal title to premises;

“Residential consumer” means a person who resides within the area jurisdiction of Hlabisa Municipality;

“Recipient of indigent support” means a person whose household has been classified, in terms of the council’s determined criteria as being an indigent and receives assistance and or subsidisation from the Municipality with respect to municipal services;

“ESKOM” means South African Electricity Supply Commission;

“Child headed households” refers to a household where both parents are deceased and where all occupants of the property are children of the deceased and all are under the legal age to contract for services and are considered as minors in law by the state.

2. POLICY OBJECTIVES

- 2.1 Because of the level of unemployment and subsequent poverty within the Big 5 Hlabisa Local Municipal area, there are households which are unable to pay for normal municipal services. The Municipality therefore has adopted this Indigency Management Policy to ensure that these households have access to at least basic municipal services, and is guided in the formulation of this Policy by the national government's policy in this regard.

3. CRITERIA FOR QUALIFICATION

- 3.1 Households where verified total gross monthly income of all occupants over 18 years of age does not exceed the amount of R2500, qualify for rebates on property rates in terms of the guidelines as set out in the Municipality's Rates Policy and subsidy on service charges for refuse removal, and will additionally receive 50 kWh of electricity per month. The 50 kWh of electricity per month will be paid for by the Municipality to the service provider, ESKOM.
- 3.2 All child headed households will qualify for indigent support in terms of this Policy.
- 3.3 Indigent support will apply to all households whose total monthly income is less than or equal to the above-mentioned amount, irrespective of the source of income.
- 3.4 Only households where the account holder or property owner has registered as indigent in terms of the Municipality's annual registration programme, and whose registration has been accepted and entered into the register of indigents shall qualify for the above concessions.
- 3.5 For a household to qualify for subsidies or rebates on the major service charges , the registered indigent must be the full-time occupant of the property concerned, and if not also the owner of the property concerned, may not own any other property, whether in or out of the municipal area.
- 3.6 For a household to qualify for a rebate on rates, the registered indigent must be both the owner and fulltime occupant of the property concerned, and may not own any other property, whether in or out of the municipal area.

4. DURATION OF RELIEF

- 4.1 Indigency relief shall apply for a period not extending beyond the financial year in which the particular household is registered as indigent.

4.2 Registration must be renewed in each registration programme if relief is to continue and the onus shall be on the account holder to renew registration as an indigent. Failure to comply with this requirement will result in debtor's Indigent status being revoked and standardized tariffs and/or charges being reinstated.

4.3 Renewal of registration will take place on dates, times and places determined by the Council.

5. REGISTRATION AS INDIGENT

5.1 To register as an indigent, the relevant property owner or account holder must personally complete and sign the registration form provided by the Municipality including the application form from ESKOM and furnish such further documentation as the Municipality specifies.

5.2 Only those households who comply with the qualifications set out in Paragraph 3 above may apply for registration as indigents.

5.3 The Municipal Manager, or any other municipal official authorised, will provide assistance to persons who cannot read or write, at such times and places as are specified in the notices published to indicate that the registration programme is to take place. Registration will take place on dates and at times and places determined by the Council.

6. FINANCIAL RESTRAINTS

6.1 Council will determine the indigent subsidy from time to time based on the equitable share received from the government.

7. APPLICATION OF THE POLICY

7.1 The subsidies on rates and the specified service charges will be determined as part of each annual budget and in terms of the Municipality's policies on property rates and tariffs.

7.2 In respect of electricity, a 100% subsidy up to 50 kWh per household per month will apply; however, if consumption exceeds 50 kWh per metering period (month), the consumer will be charged by ESKOM at normal tariffs for actual consumption in excess of 50 kWh.

- 7.3 The indigent debtor may, on approval of his/her application for indigency, be registered in the register of indigents receiving electricity from ESKOM, the Municipality due to settle the portion of free electricity.

7.4 Refuse removal

The indigent debtor will be granted a monthly amount for refuse removal as determined by the Council from time to time

8. PROOF OF INCOME

- 8.1 Applicants for Indigency support must produce written proof of household income and/or medical certificate confirming inability to work acceptable to Council.
- 8.2 All documentation must be supported by a sworn affidavit.
- 8.3 Proof of income or other supporting documentation should be current, i.e. not more than one (1) month old and must be submitted with the Indigency application form.

9. INVESTIGATION

- 9.1 The Municipality reserves the right to verify details submitted in the Indigency application form.

10. NON-COMPLIANCE OF HOUSEHOLDS REGISTERED AS INDIGENT

- 10.1 When a property owner or accountholder who has registered as an indigent fails to comply with any arrangements or conditions materially relevant to the receipt of indigency relief, such person will forfeit his or her status as a registered indigent with immediate effect, and will thereafter be treated as an ordinary residential property owner or accountholder for the financial year concerned. The onus is on each registered indigent to advise the Municipal Manager of such failure to comply.
- 10.2 The relief to indigents may be withdrawn at the discretion of the Municipal Manager if:
- a) a registered indigent who qualifies for such relief fails to keep to the terms of the policy agreement; or
 - b) Death of the account holder. In the event that the approved applicant passes away, the heirs of the property must re-apply for indigent support provided that the stipulated criteria are met.
 - c) Upon change of ownership of the property in respect of which support is granted.
 - d) When circumstances in the indigent household have improved in terms of gross income threshold as prescribed by the Council

- e) When the indigent accountholder disposes of the property, either by sale or by means of donation.
- f) End of the 12-month cycle.

10.3 If a registered indigent is found to have provided fraudulent information to the Municipality in regard to any material condition for registration as an indigent, such person shall immediately be removed from the register of indigents, and shall be liable to repay to the Municipality with immediate effect all indigency relief received from the date of such fraudulent registration. Moreover, such person may not again be considered for Indigency relief for a period extending for 5 (five) years beyond the financial year in which the misconduct is detected.

10.4 Indigency relief will not apply in respect of property owners owning more than one property, whether in or outside the municipal area.

11. REPORTING REQUIREMENTS

11.1 The Municipal Manager shall report on a monthly basis to the Mayor or Council, as the case may be, for the month concerned and by municipal ward:

- a) The number of households registered as indigents and a brief explanation of any movements in such numbers;
- b) The monetary value of the actual subsidies and rebates granted;
- c) The budgeted value of the subsidies and rebates concerned; and
- d) The above information cumulatively for the financial year to date.

11.2 The Mayor or Executive Committee, as the case may be, shall submit the above reports on a quarterly basis to the Council and to the Municipality's ward committees, or monthly frequently to any ward committees if so requested.

12. COMPLIANCE AND ENFORCEMENT

- a) Violation of or non-compliance with this Policy may give a just cause of disciplinary steps to be taken.
- b) It will be the responsibility of Accounting Officer or his/her delegate to enforce compliance with this Policy.

13. EFFECTIVE DATE

This Policy shall come to effect upon approval by the Council of Big 5 Hlabisa Local Municipality.

14. POLICY ADOPTION

This Policy has been considered and approved by the **COUNCIL OF BIG 5 HLABISA LOCAL MUNICIPLAITY** as follows:

Resolution No:.....

Approval Date:.....